Southwest Colorado Council of Governments

August Board Meeting

07 August 2015

Carnegie Building

Board in Attendance:

Dick White – City of Durango

Andrea Phillips – Town of Mancos

William Tookey – San Juan County

Greg Schulte – Town of Pagosa Springs

Chris LaMay – Town of Bayfield

Michael Whiting – Archuleta County

Shane Hale – City of Cortez

Chris Tookey – Town of Silverton

Staff in Attendance:
Miriam Gillow-Wiles – Executive Director

Sara Trujillo – Assistant/Accountant

1. **Call to Order/Introductions**

The meeting was called to order by Chairman Dick White at 1:38pm.

1. **Consent Agenda,** June 2015 Minutes, May & June 2015 Financials

**Motion to approve June 2015 minutes as presented: Shane Hale, Second: Michael Whiting. Passed by a unanimous voice vote.**

Shane Haleexpressed concern regarding the TPR class account 5510 - travel expense’s budget shifting from $5,000 in May to $6,000 in June and the SCAN class account 5526 - internet expense’s budget shifting from $5,000 in May to $6,000 in June. Sara said the budget in QuickBooks was set to the budget figures approved by the board in December 2014 and had not been changed. The shifting budget numbers will be researched and an answer to Shane’s concerns presented at the September board meeting. The May and June 2015 financials will be tabled until that time.

1. **Discussion Items:**

Auditor Findings Suggestions and Implementation:

Julie Westendorff previously requested an update on the recommended segregation of duties per the auditors regarding receiving checks, entering deposits in QuickBooks, and bank branch deposits. The auditors suggested that Miriam open checks received in the mail, log the checks in excel, initial her log then hand the checks and log over to Sara for entry and deposit. Miriam and Sara immediately began compliance with this recommendation.

2016 Preliminary Budget:

Miriam introduced the 2016 preliminary budget pointing out that it meets all the goals identified at the March 2015 board retreat.

*Dues:* Miriam explained that dues did increase slightly but had not increased in the last two years. She also pointed out that the budget did not include the broadband DoLA grant that is still in flux depending on money from Region 9.

*Grant match funds*: Andrea Phillips asked how the grant match pot of funds would work and what those funds would be used for. Miriam put the grant match at a total of $25,000 because most grants require a 25% match and this amount would allow the COG one $100,000 for FY2016. Invoicing for these funds in the beginning of the year along with dues would help prevent a request mid-year for additional funds, making budgeting easier for the COG and communities. The COG could invoice the communities their portion of the grant match amount, put those funds in a restricted account, and withdrawal as needed ***or*** communities could budget for their portion, not be invoiced, and the COG would call upon the funds when needed. Several board members felt it best to keep the funds as a line item in their budget and be invoiced from the COG if the funds are needed while other board members felt it would be easier to be invoiced and have COG staff deposit the funds into the restricted account. If funds do not go towards a grant match in 2016, the funds would them go into the funds balance. Questions arose regarding if a community had participated towards the match funds but then chose not to participate in the specific grant.

*Staff raises*: Some board members questioned the budgeted 6% staff pay raises - up to 4% performance merit and 2% COLA. Miriam explained that the up to 4% merit raise is in the personal policy that was approved in December 2014 and COLA is an automatic increase each year. Some board members feel the COLA is not a necessary raise each year and that most merit raises are 1-3%. Some communities only do an up to 3% performance merit increase with no COLA while others do a non-performance based merit. COLA is not something typically seen. The board would like staff to comprise a spreadsheet of different percentages and review the personnel policy. The board will review the information at the September meeting for decision on merit and COLA percent amounts and if the personnel policy needs to be revised in the case of staff annual raises.

*Admin position*: Concern was voiced about the need for an admin position and the additional funding this would require from communities. It was thought that this position would be due to Sara taking on the AAA bookkeeping. Miriam explained the admin position is not in conjunction with the AAA bookkeeping but simply an additional staff requirement as 2016 will bring additional grants and current staff time with less grants is already at the maximum. In addition, bringing on additional staff was talked about and identified as a goal at the March 2015 board retreat. The board requested a thorough job description of the admin position be presented at the next board meeting along with a value proposition that will include what work would not be completed by Miriam and Sara if this person is not brought on board.

*AAA*: Some members questioned the value of having Sara do the AAA bookkeeping if it only means some of Sara’s time is spent on non-COG business when additional staff and time is needed. Concern was also raised about COG funds going toward AAA bookkeeping time. Miriam pointed out that 100% of Sara’s time will be paid for by the AAA and no COG funding will be going towards this time. The contract calls for $40/hour be paid towards Sara’s time spent, which adequately covers pay and benefits with the budgeted raise. In addition, Michael Whiting pointed out that, as a region, we need to generate value together to get value out. The internal rate of return for the entire region to be prosperous is the goal, and Sara doing the bookkeeping for the AAA may make the AAA more efficient, which benefits the entire region. The board requested to see a breakdown of how the $40 hourly rate was calculated.

*Health insurance cost*: With addition staff, health insurance costs will increase. To offset this increase, staff will now be required to pay a 1/3 portion of dependent costs.

With many budget concerns, it was decided that the executive committee needed to meet with staff to talk about all concerns. In addition, Dick White was concerned about the current formula being used with a 25% base and how this will affect the smaller communities. Staff is to give a 20% base calculation in comparison with the 25% to help communities make better budging decisions. At the September or October board meeting it can be voted on as to which formula to use for all future calculations and make this formula policy.

The board also decided another mini retreat would be useful to review the strategic goals for 2016 and ensure those goals match with the preliminary budget. This mini retreat will take place prior to the regular September board meeting for an extended meeting. The board requested Miriam to redistribute the ROI documents from the March 2015 board retreat.

1. **Decision Items:**

The board added two new decision items to the agenda – September meeting date and DoLA Downtown contract.

September meeting date:

With September 7 being a holiday, Dick White proposed a meeting date of September 11 as opposed to September 4 for those wanting to take advantage of the holiday weekend. This meeting will be extended to include a mini retreat; therefore, the meeting will start a 12pm (lunch will be served) and end at the normal meeting time of 3:30pm.

**Motion to schedule the next meeting date for September 11 from 12-3:30pm: Michael Whiting, Second: Greg Schulte. Passed by a unanimous voice vote.**

AAA Contract:

In July, the AAA Board voted unanimously to enter into a contract with the SWCCOG for bookkeeping for the fiscal year 2015-2016 (July to June). The contract was presented to the board. Several minor typos in the AAA contract were noted; Miriam will update accordingly. With the prior discussion of Sara’s time on AAA bookkeeping, the board decided to table this item until the executive committee meets with staff for further discussion. The board needs to know the opportunity cost of this contract and understand what COG business will not be done with some of Sara’s time going towards the AAA. This item will be brought back at the September meeting for board approval.

Agenda Posting Locations:

It has been over two years since the SWCCOG chose locations to post agendas and

other public notices. This should be renewed every year. William Tookey suggested posting the agenda where we hold our meetings, at the Carnegie Building.

**Motion to post future agendas and public notices at the Carnegie Building located at 1188 E. 2nd Ave, Durango: Chris LaMay, Second: Shane Hale. Passed by a unanimous voice vote.**

DoLA Broadband Grant 8010:

As the contract arrived on board meeting day, staff did not have an adequate amount of time to thoroughly review this contract. Shane Hale suggested authorizing the chair to accept the contract upon thorough review from staff.

**Motion to have staff thoroughly review the DoLA Broadband 8010 contract. If no concerns, authorization to the chair for signature: William Tookey, Second: Shane Hale. Passed by a unanimous voice vote.**

DoLA Downtown Grant 8011:

As the contract arrived on board meeting day, staff did not have an adequate amount of time to thoroughly review this contract. It was again suggested to have staff thoroughly review contract and authorize the chair to accept the contract.

**Motion to have staff thoroughly review the DoLA Downtown 8011 contract. If no concerns, authorization to the chair for signature: William Tookey, Second: Greg Schulte . Passed by a unanimous voice vote.**

Dark Fiber Leasing:

The Dark Fiber Leasing MOU was initially brought to the Board in January 2015. During that discussion there was a significant amount of discussion about what this meant for the communities and the COG. At the time it was tabled for the members to take back to their respective Boards/Councils and to come back for a decision. However, this item was not put back on the agenda, and has had no further discussion since January. In 2013 a 95/5% split was decided although, in practice, the split has always been 75/25. The 25% portion to the COG helps with COG expenses and time spent on SCAN endeavors. Shane Hale said Cortez is already doing this billing on their own and it would not be in their best interest financially to pay someone else to do invoicing. Chris LaMay said there would need to be a better justification for the cost for Bayfield to be onboard; a value proposition would need to be presented. Dick White mentioned that this issue will have some resolution towards the end of the broadband planning grant. The grant will be concluding around October 2016. There could possibly be an opt-in option as a solution. The board decided to leave this item as is until the end of the broadband planning grant.

1. **Reports:**

Time did not allow for reports.

**Adjourned at 3:57pm**